

Message Text

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PAGE 01 ROME 03008 281953Z

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ACTION COME-00

INFO OCT-01 EUR-12 ISO-00 EB-07 /020 W

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R 281754Z FEB 75

FM AMEMBASSY ROME

TO SECSTATE WASHDC 9802

UNCLAS ROME 3008

E.O. 11652: N/A

TAGS: BEXP, IT

SUBJECT: PAYMENT GUARANTEES FOR IMPORTS

REF: A) STATE 039828, FEB. 21, 1975; B) ROME 6302, MAY 8, 1974

1. LOCAL GOVERNMENT, BANKING, AND BUSINESS SOURCES INFORM US THERE ARE NO REPEAT NO REGULATIONS PREVENTING ITALIAN BANKS FROM OPENING LETTERS OF CREDIT AT REQUEST OF THEIR CUSTOMERS WHO IMPORT FROM UNITED STATES. IN FACT, LETTERS OF CREDIT ARE BEING USED EXTENSIVELY BY ITALIAN IMPORTERS.

2. VARIOUS SOURCES CONSULTED BELIEVE, HOWEVER, AND EMBASSY CONCURS, THAT REAL PROBLEM MAY BE GROWING NUMBER OF ITALIAN IMPORTERS EXPERIENCING SOME FINANCIAL RESTRAINTS OWING TO PRESENT ECONOMIC SITUATION. THESE IMPORTERS, UNABLE TO OBTAIN FINANCIAL ASSISTANCE FROM LOCAL BANKS BECAUSE THEY ARE CONSIDERED POOR CREDIT RISKS OR BECAUSE FUNDS AVAILABLE FOR IMPORT FINANCING ARE SCARCE, ARE PROBABLY SEEKING CREDITS ABROAD, OFFERING VARIOUS TYPES OF GUARANTEES. HOWEVER, BANK CREDIT IS REPORTED TO BE EASING AND PROBLEM OF IMPORT FINANCING BY LOCAL BANKS IS, THEREFORE, EXPECTED TO BE LESS DIFFICULT IN NEAR FUTURE.

3. LIMITATION REPORTED IN ROME 6302 IS STILL IN EFFECT WITH RESPECT TO GUARANTEES SOUGHT BY LOCAL IMPORTERS FROM ITALIAN BANKS IN CONNECTION WITH IMPORT TRANSACTIONS FINANCED BY FOREIGN EXPORTER AND/OR FOREIGN BANK. ITALIAN BANKS WISHING TO GUARANTEE THESE TRANSACTIONS ARE REQUIRED TO OBTAIN PRIOR AUTHORIZATION FROM MINISTRY OF FOREIGN TRADE WHICH EXAMINES AND DECIDES EACH UNCLASSIFIED

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CASE ON ITS MERITS.

4. LIMITATION MENTIONED IN 3) DOES NOT APPLY TO LETTERS OF CREDIT BY ITALIAN BANKS TO THEIR FOREIGN CORRESPONDENT BANKS IN CONNECTION WITH IMPORT TRANSACTIONS. THESE TRANSACTIONS ARE ORDINARILY SETTLED UPON PRESENTATION BY FOREIGN EXPORTER OF HIS DRAFT WITH REQUIRED DOCUMENTS, INCLUDING BILL OF LADING, AND DO NOT REQUIRE FOREIGN FINANCING.VOLPE

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Draft Date: 28 FEB 1975
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Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ROME03008
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Handling Restrictions: n/a
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